

## PROGRAM SUPPORT CENTER

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### HHS Service and Supply Fund

(Dollars in millions)

	<u>1995 Actual</u>	<u>1996 Estimate</u>	<u>1997 Estimate</u>	<u>Increase/ Decrease</u>
Expenses .....	\$225	\$232	\$237	+\$5
FTE ... ..	1,261	1,261	1,261	0

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### Summary

The Program Support Center (PSC) is a new Operating Division formed by combining the administrative activities formerly located in the Office of the Secretary (OS), and funded by the OS Working Capital Fund, with activities from the Office of the Assistant Secretary for Health, and funded by the Public Health Service (PHS) Service and Supply Fund. The formation of the PSC resulted from the Department's REGO II analysis with a goal of further streamlining and minimizing duplication of functions in the provision of cost-effective administrative services to components of the Department and other Federal agencies. Services will be provided in four broad business areas: human resources, financial management, administrative operations, and information technology.

### Human Resources Service

The FY 1997 estimated expenses for the Human Resources Service (HRS) are \$43 million. HRS provides a full range of personnel management services including payroll management and operations; personnel operations services for civilian and commissioned personnel; common needs training; employee relations and labor relations; and administration of the Board for Corrections of PHS Commissioned Corps Personnel Records.

### Financial Management Service

The Financial Management Service (FMS) estimates its expenses at \$41 million for FY 1997. FMS supports the financial operations of HHS and other Federal Departments through the provision of payment management services for departmental and other Federal grant and program activities; accounting and fiscal services; debt management services; and the review, negotiation and approval of rates, including indirect cost rates, research patient care rates, and fringe benefit rates.

### **Administrative Operations Service**

The Administrative Operations Service (AOS) supports the administrative management functions within the Department in the areas of property and material management, and support services ranging from telecommunications services and commercial graphics to mail distribution. Included is the operation of a medical supply depot located in Perry Point, Maryland, that provides support to over 1,700 customers on a worldwide basis and is an economical source of supply for all Federal customers. The FY 1997 estimated expenses of \$142 million for AOS includes a \$5 million increase for the expansion of product lines within the Supply Service Center and increased communication capabilities through the Telecommunication Improvement Project. This project consolidates telephone services under one contract; this collective bargaining results in savings of up to one-third in the rates charged by the telephone company for services to agencies in the Parklawn Complex and the National Institutes of Health campus.

### **Information Technology Service**

The FY 1997 estimated expenses for the Information Technology Service (ITS) is \$11 million. The ITS provides automated data processing (ADP) services for HHS and other Federal entities. It provides its customers with various ADP services, resources, technical support and ADP planning assistance. In addition, the ITS develops and operates the Departmental Information Management Exchange System, a nationwide telecommunications network, and serves as the HHS Executive Agent for Department-wide connectivity.

# PROGRAM SUPPORT CENTER

## ENTITLEMENT SPENDING

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### Retirement Pay and Medical Benefits for Commissioned Officers

(Dollars in millions)

	<u>1995</u> <u>Actual</u>	<u>1996</u> <u>Estimate*</u>	<u>1997</u> <u>Estimate*</u>	<u>Increase/</u> <u>Decrease</u>
Retirement Payments .....	\$112	\$130	\$136	+\$6
Survivors' Benefits.....	8	9	11	+2
Medical Care. ....	22	25	26	+1
Military Service Credits .....	<u>2</u>	<u>3</u>	<u>3</u>	<u>0</u>
Total, BA ....	\$144	\$167	\$176	+\$9
Outlays.....	\$152	\$167	\$176	+\$9

\* Funding levels are based on the Administration's most recent estimates of entitlement spending under current law.

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### **Summary**

This appropriation provides for retirement payments to Public Health Service (PHS) Commissioned Officers and payments to survivors of deceased retired officers. This account also funds the provision of medical care to active duty and retired members and to dependents of active duty, retired and deceased members of the PHS Commissioned Corps. In addition, this account includes amounts to be paid to the Social Security Administration for military service credits which are earned by active duty Commissioned Officers for non-wage income.